TEXAS DEPARTMENT OF INSURANCE
Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)
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MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name
Baylor Surgical Center

Respondent Name
City of Fort Worth

MFDR Tracking Number
M4-17-1156-01

Carrier's Austin Representative
Box Number 4

MFDR Date Received
December 28, 2016

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "For the APC the allowable amount due totaled is $1,601.98. Based on their payment of $1,286.31, the APC a supplemental payment is still due of $315.67 on the APC alone, at this time."

Amount in Dispute: $315.67

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "Wellcomp manually calculated the allowance and with the wage index of .9512 at 200% of the Medicare allowable for 64490 and found the provider is due and additional $18.63. This has been processed under review number 7807648."

Response Submitted by: Wellcomp

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
December 30, 2015	64490	$315.67	$0.00

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.403 sets out the reimbursement guidelines for outpatient hospital services.
3. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
   - P12 – Workers' compensation jurisdictional fee schedule adjustment
   - W3 – Additional payment made on appeal/reconsideration

- P14 – The benefit for this service is included in the payment/allowance for another service/procedure that has been performed on the same day.
- 97 – The benefit for this service is included in the pymt/allowance for another service/procedure that has already been adjudicated
- 193 – Original payment decision is being maintained

Issues

1. What rule applies to reimbursement?
2. What is the maximum allowable reimbursement?
3. Is the requestor entitled to additional reimbursement?

Findings

1. The requester seeks additional reimbursement for $315.67 for outpatient hospital services rendered on December 30, 2015.

   The requestor states, "The allowable amount due is $1,601.98." The respondent states, "the provider is due an additional $18.63."

   As both positions are related to the appropriate fee, this review will consider the applicable fee guideline found in 28 Texas Administrative Code §134.403, "Hospital Facility Fee Guideline--Outpatient." The relevant portions are:

   (b) Definitions for words and terms, when used in this section, shall have the following meanings, unless clearly indicated otherwise

   (3) "Medicare payment policy" means reimbursement methodologies, models, and values or weights including its coding, billing, and reporting payment policies as set forth in the Centers for Medicare and Medicaid Services (CMS) payment policies specific to Medicare.

   (d) For coding, billing, reporting, and reimbursement of health care covered in this section, Texas workers' compensation system participants shall apply Medicare payment policies in effect on the date a service is provided with any additions or exceptions specified in this section, including the following paragraphs.

   (f) The reimbursement calculation used for establishing the MAR shall be the Medicare facility specific amount, including outlier payment amounts, determined by applying the most recently adopted and effective Medicare Outpatient Prospective Payment System (OPPS) reimbursement formula and factors as published annually in the Federal Register. The following minimal modifications shall be applied.

   (1) The sum of the Medicare facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by:

   (A) 200 percent; unless

   (B) a facility or surgical implant provider requests separate reimbursement in accordance with subsection (g) of this section, in which case the facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by 130 percent.

2. The Medicare payment policies used to calculate the MAR are found at, www.cms.gov/Medicare/MedicareFee-for-Service-Payment/HospitalOutpatientPPS.

   The resources that define the components used to calculate the Medicare payment for OPPS are found below:

   - **How Payment Rates Are Set**, found at www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/HospitalOutpaysysfctsht.pdf,

- *To account for geographic differences in input prices, the labor portion of the national unadjusted payment rate (60 percent) is further adjusted by the hospital wage index for the area where payment is being made. The remaining 40 percent is not adjusted.*

- **Payment status indicator** - The status indicator identifies whether the service described by the HCPCS code is paid under the OPPS and if so, whether payment is made separately or packaged. The status indicator may also provide additional information about how the code is paid under the OPPS or under another payment system or fee schedule. The relevant status indicator may be found at the following: www.cms.gov, Hospital Outpatient Prospective Payment – Final Rule, OPPS Addenda, Addendum, D1.

- **APC payment groups** - Each HCPCS code for which separate payment is made under the OPPS is assigned to an ambulatory payment classification (APC) group. The payment rate and coinsurance amount calculated for an APC apply to all of the services assigned to the APC. A hospital may receive a number of APC payments for the services furnished to a patient on a single day; however, multiple surgical procedures furnished on the same day are subject to discounting. The relevant payment amount for each APC may be found at: www.cms.gov, Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Annual-Policy-Files, Addendum B. These files are updated quarterly.

Review of the submitted medical claim finds a request for separate reimbursement of implantables was not made. The services in dispute will be reviewed per the 28 Texas Administrative Code § 134.403 (f)(1)(A).

Procedure Code	Status Indicator	APC	Payment Rate	60% labor related	2015 Wage Index Adjustment for provider 0.9512	40% nonlabor related	Payment	Maximum allowable reimbursement
64490	T	0207	$672.06	$672.06 X 60% = $403.24	$403.24 X 0.9512 = $383.56	$672.06 X 40% = $268.82	$383.56 + $268.82 = $652.38	$652.38 X 200 = $1,304.76
							Total	$1,304.76

3. The total allowable reimbursement for the services in dispute is $1,304.76. This amount less the amount previously paid by the insurance carrier of $1,304.76 leaves an amount due to the requestor of $0.00. No additional reimbursement can be recommended.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code §413.031, the Division has determined that the requestor is entitled to $0.00 additional reimbursement for the services in dispute.

Authorized Signature

Signature	Medical Fee Dispute Resolution Officer	January 31, 2017 Date

YOUR RIGHT TO APPEAL

Either party to this medical fee dispute has a right to seek review of this decision in accordance with 28 Texas Administrative Code §133.307, 37 *Texas Register* 3833, applicable to disputes filed on or after June 1, 2012.

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the Division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the Division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MFDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.